

THE POLITICAL AND ECONOMIC RESULTS OF FEBRUARY 2014

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February saw a sharp deterioration of Russo-Ukrainian relations in the aftermath of the bloody conflict in Ukraine that led to President Viktor Yanukovich's flight into Russia and to the Crimean parliament's refusal to recognize the new Ukrainian authorities. Russia's authorities have so far continued to insist that Yanukovich is still Ukraine's legitimate president, although his chances to return to power are practically non-existent. At the same time, it should be said that all this does not detract from the legitimacy of some of the Kremlin's concerns about the situation of Russian-speakers in Ukraine and the autonomous status of the Crimea. In February 2014, Russia passed a new law on the election of deputies to the State Duma. According to this law, in order to register their party lists for a State Duma election, those parties that do not have a party representative in at least one Russian regional legislature will have to gather a minimum of 200,000 signatures. Also, the Law contains the requirement that candidates nominated by such parties in single-member districts should submit the signatures of at least 3% of voters in their constituency to register. The same requirement applies to self-nominated candidates in single-member districts. A similar draft law on regional and municipal elections was introduced to the State Duma. However, chances are high that the consequences of the new State Duma election law will be disappointing for United Russia, because a reduction in the number of election contestants will result in a smaller number of votes cast for those political parties that failed to pass the electoral threshold, and thus in fewer seats being redistributed among the parliamentary parties.

February 2014 saw a sharp deterioration of Russo-Ukrainian relations and a dramatic escalation of tension over the Crimea in the aftermath of the change in government in Ukraine on the night of 21-22 February. A few words about the chain of events leading to this denouement. On 20 February, the confrontation between forces loyal to President Viktor Yanukovich and the protesters turned into armed clashes into the course of which almost 100 people lost their lives. On 21 February, MPs from Mr. Yanukovich's Party of Regions defected en masse and sided with the opposition, thus enabling it to form a new parliamentary majority. After this, Viktor Yanukovich and opposition leaders signed an agreement to end the crisis. The deal set out plans to hold early presidential election in 2014 and revert to the 2004 Constitution, thus scrapping the existing presidential system and replacing it by the previous parliamentary-presidential one. However, on the next day President Yanukovich fled from Kiev, and the Ukrainian Parliament voted to dismiss him, set an early presidential election for 25 May 2014, and formed a new government headed by one of the opposition leaders, Arseniy Yatseniuk¹. Viktor Yanukovich and the heads of his power structures

were declared for international search. A week later, Yanukovich resurfaced in Russia and announced that he would not return to Ukraine out of fear for his life. Meanwhile, the new Ukrainian government was recognized by most of Ukraine's regional and local authorities (apart from the Crimea), as well as by the USA and the EU countries. The Supreme Council of the Crimea refused to recognize the legitimacy of Ukraine's new authorities and set a referendum for the future status of the peninsula for May 2014. The proponents of the referendum have formulated their goals rather vaguely: on the one hand, the future status of the Crimea implies that the Crimean region will be part of Ukraine, while on the other it is said that its status will be regulated by an international agreement (who will be the parties to such an agreement?!). Meanwhile, the Russian troops stationed in the Crimea in accordance with Black Sea Fleet agreements, began strange maneuvers viewed by the Ukrainian authorities as intended to provoke armed clashes. Russia kept silent on claims of military intervention.

It should be noted that the Crimea, where a majority of the population is Russian-speaking, has reasons to be unhappy with the events in Ukraine: the new Ukrainian authorities began their rule with cancelling the law on regional languages, which permitted the use of two official languages in regions where the size of an ethnic minority exceeded 10%. In the 1990's, Ukraine abolished the office of President of the Crimea and blocked the election of Sevastopol's

¹ The legitimacy of all these decisions made by Ukraine's parliament is rather doubtful: Ukraine does not have a presidential impeachment law, and her President, even under the 2004 Constitution, is entitled to participate in the appointment of a number of ministers. On the other hand, Yanukovich's flight from the country has made the Ukrainian Parliament the most legitimate government agency in Ukraine.

mayor. However, Russia's actions has so far looked less like safeguarding the interests of Russian-speakers and more like struggling against the new Ukraine's government and giving support to the *de-facto* ousted regime of fugitive President Yanukovich. Apparently, Yanukovich has no chance of returning to power. It is highly probable that in the foreseeable future Russia, quite reasonably, will attempt to get the highest price for diplomatic recognition from the new Ukrainian government beset by economic difficulties and a legitimacy crisis. However, one can only hope that the above-mentioned 'military maneuvers' do not result in a full-blown war with Ukraine, which will be much more difficult than the 2008 Russo-Georgian War: the total active strength of the Ukrainian armed forces is 180,000, and if the war comes, there will be no shortage of battle-hardened volunteers from Kiev's bloodied streets. Russia's failure to formulate any specific official demands to the new Ukrainian leadership can be seen as a serious miscalculation, because many possible demands (e.g. concerning the status of the Russian language in regions with a Russian majority, the status of the Crimean autonomous region, etc.) appear to be quite reasonable and justified.

In February 2014, in an apparent effort to perpetuate the current composition of the Russian Parliament, the Federal Assembly passed a State Duma election law which turned the screws on small political parties. The Law introduced a mixed electoral system for the State Duma to be used in the next parliamentary election in 2017. One half of the MPs will be elected by parties' lists, and the other half – from single-member districts. The political parties which managed to pass the 3% electoral threshold at the last election (i.e. the four parliamentary parties and *Yabloko*), and the political parties represented in at least one Russian regional legislature (i.e. *Patriots of Russia*, *Fatherland*, the *Russian People's Party*, *Just Cause*, *Civic Platform*, *Communists of Russia*, and *Russian Party of Pensioners for Justice*) will be exempt from the requirement to gather voter signatures in order to get registered for election. All the other political parties will have to gather at least 200,000 voter signatures. Single-member districts will be an even tougher nut to crack for such parties: the new law requires that candidates nominated by them submit the signatures of at least 3% of voters in their constituency to register. It is a fantastically surreal requirement, bearing in mind that the average number of voters in an electoral district is about 450 thousand, which means that a candidate will have to gather 13.5 thousand voter signatures. Moreover, according to Russian legislation, the validity of voter signatures can be verified, if necessary, by graphologists from the Ministry of Internal Affairs, whose opinion

will be more important than the notarized statement submitted by a citizen, which means that any signature can be declared invalid. A similar draft law on regional and municipal elections was also introduced to the State Duma – apparently, in anticipation of the forthcoming elections to the Moscow City Duma. The draft law contains a lot of absurdities – for example it envisages that those parties that have previously passed the electoral threshold under the proportional electoral system in a given populated locality should be endowed with the right to appoint their deputies from municipalities without collecting the necessary number of voter signatures, whereas in many regions, for example, Moscow or St. Petersburg, such elections have never been held.

The tightening of the screws on small political parties could well prove to be counterproductive for the authorities. By reducing the number of election participants, they will also automatically reduce the number of seats gained by *United Russia* as a result of the redistribution of the votes captured by those parties that failed to pass the electoral threshold. And it should be borne in mind that the number of votes redistributed among the parties that managed to pass the threshold in the regional elections held in 2012-2013 was rather impressive. In any case, this discriminatory measure will certainly revive the old strategy of voting for any party other than *United Russia*, which proved to be so successful in December 2011. Moreover, those barred from standing for election will get a mighty impetus to participate in street protests rather than in the legal political process previously advertised by the authorities as a healthy alternative to rioting.

On 24 February, less than 24 hours after the closing ceremony of the Sochi Winter Olympics and a few days after the *coup d'état* in Ukraine, a Moscow court sentenced the first batch of defendants in the so-called Bolotnaya case (several defendants had already been sentenced in a number of trials conducted under a special procedure after admitting their guilt). The sentences handed down in February were relatively soft – seven of the defendants got prison terms ranging from 2.5 to 4 years, while the eighth defendant, a woman, was given a suspended sentence. Also in February, Aleksey Navalny, who had been restricted from travelling outside Moscow under one of the numerous cases pending against him, had his restrictions stepped up to house arrest. In a separate development, a Moscow court arrested billionaire Gleb Fetisov, the leader of *Green Alliance – People's Party* 'on suspicion of grand fraud'. Fetisov is suspected of siphoning out the assets of *Moi Bank* [My Bank], a small bank formerly owned by him – despite the fact that the bank had gone bankrupt when belonging to new owners and none of

the bank's managers had been arrested (it should be added that the same is also true of the managers and owners of Master Bank, Invest Bank, etc.). A ridiculous situation arose, in which a person who had not had any executive or administrative powers at the time of the reputed law infringement was suspected of committing it, while the persons possessing such powers at that time were presumed to be innocent. It seems that Fetisov's current problems (previously, he was barred from registering as a candidate for Moscow mayor) are directly related to the forthcoming elections to the Moscow City Duma – the authorities are apparently afraid that Mr. Fetisov will use his huge untainted funds to promote his political ambitions.

In February, a big scandal erupted in the central apparatus of the RF Ministry of Internal Affairs, which resulted in a major reshuffle of its top personnel. General Denis Sugrobov was dismissed from his post as head of one of the Ministry's key departments, the Main Administration for Economic Security and Anti-Corruption Activities. His career at the Ministry of Internal Affairs had been meteoric, and his superiors had held him in high regard for his unblemished reputation and excellent track record (in November 2013 he had been promoted to the rank of Lieutenant General; at age 37 he had been one of the youngest generals in the post-Soviet history of the Ministry of Internal Affairs). His deputy, Major General Boris Kolesnikov, and a number of top investigators were arrested 'for trying to entrap an FSS [Federal Security Service] officer on bribery charges'. Although Russia, unlike the United States, prohibits entrapment in bribery, such cases actually belong to the murky grey zone between legal and illegal, and it is generally very difficult to determine whether or not any provocation of a bribe has taken place in a corruption case, or one of the participants of some corruption transaction had reported it to the police who thus creating a legitimate ground for the

latter to undertake 'operational investigative actions'. Moreover, General Sugrobov and his colleagues had violated the unwritten rule that information on corruption in another 'power' agency should be reported to that agency's own security service and investigated by it. The arrested investigators alleged that they had not known the status of the suspect and believed him to be a crook impersonating an FSS officer. In a separate development, Yuri Alekseev was dismissed as head of the Investigative Committee of the Ministry of Internal Affairs (it should be noted that this department had periodically been at loggerheads with Sugrobov's Main Administration for Economic Security and Anti-Corruption Activities). Sugrobov was believed to be a protégé of the RF President's mighty assistant, former Deputy Minister of Internal Affairs and former head of the Main Administration for Economic Security and Anti-Corruption Activities Yevgeny Shkolov, while Yuri Alekseev was alleged to owe his appointment to Sergei Ivanov, Chief of Staff of the Presidential Executive Office. Thus, the dismissals of the highest-level officers of the Ministry of Internal Affairs (the names of their successors (their successors have not been named as yet) have strengthened the position of the current Minister of Internal Affairs, Vladimir Kolokoltsev.

Late February saw the conclusion of the Sochi Winter Olympics. After a disappointing start, Russia had managed to top the medal table by the time the Olympics came to an end. Russia's success at the Sochi Olympics gave the Russian authorities a good pretext for claiming that the Games had been totally justified and corruption-free (although the criminal case against Akhmed Bilalov is still open, etc.). The Olympics have certainly improved Russia's image – but at a price. Overall, the Games cost 1.5 trillion rubles, most of which was taken from public sources and quasi-budget funds (credits from *Vneshekonombank* and other state-owned banks).